



SUPPLIER AUDIT ***PROGRAM***

**Detection and Prevention
of Deliberate Malpractice**



Examples of Malpractice are:

- ▶ **Deliberately accepting unsatisfactory work.**
- ▶ **Intentionally performing unsatisfactory work.**
- ▶ **Verifying by signature that an action was taken, knowing in fact that the action was not taken, or without performing the required checks to assure the action was taken.**



Examples of Malpractice are:

- ▶ **Tampering with calibrated instruments in order avoid rejection of work.**
- ▶ **Falsifying dates on records to comply with frequency or deadline requirements.**
- ▶ **Falsifying data in order to have work accepted, thereby avoiding further required work, or to cover up a deviation from a procedure.**
- ▶ **Intentionally performing unacceptable work.**



Examples of Malpractice are:

- ▶ **Concealing information on malpractice known to have been committed by others.**
- ▶ **Verifying action based on hearsay when personal observation was required.**
- ▶ **Issuing a procedure known to contain an unauthorized deviation from requirements.**
- ▶ **Knowingly waiving a requirement without authority to do so.**



Cases of Deliberate Malpractice are More Likely to Occur from:

- ▶ **Lack of supervision, deficient management practices, inadequate supervision.**
- ▶ **Measuring, test or inspection equipment not sufficient to keep up with production work.**
- ▶ **Assigning workers to tasks they are incapable of performing.**

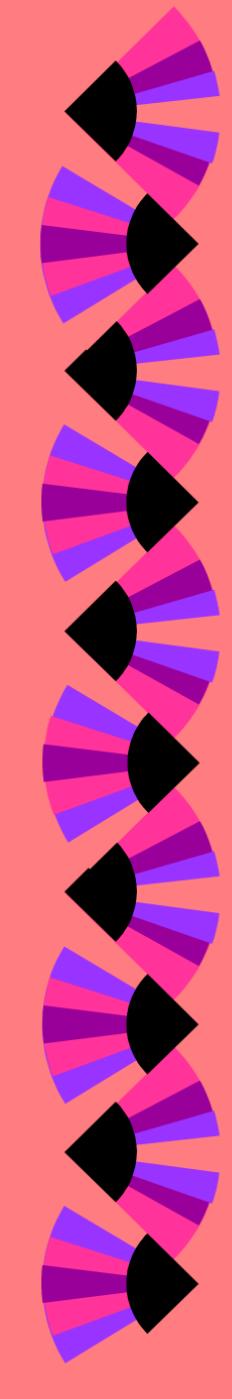


Cases of Deliberate Malpractice are More Likely to Occur from:

- ▶ Lack of interest or effective action by management on suspected malpractice cases.
- ▶ Checks limited to paperwork reviews.
- ▶ Adverse work conditions which may induce employees to acts of malpractice.
- ▶ Steps involving no independent oversight.

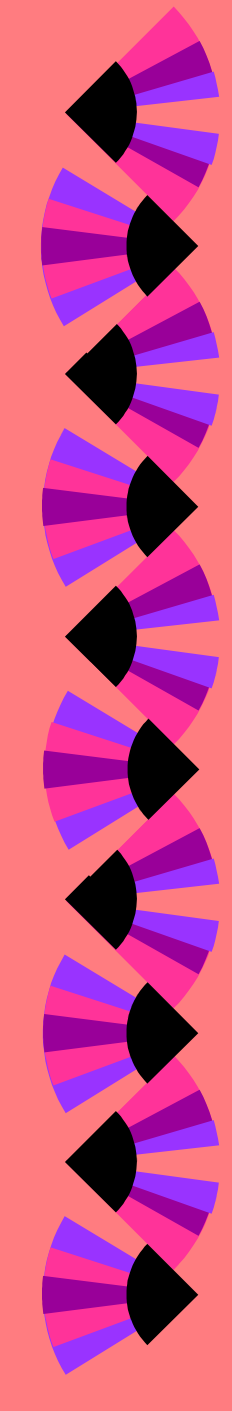


Federal law requires a fine and/or imprisonment for persons guilty of fraud and falsification against the Government.



**The Applicable Law for Fraud and
Falsification Against the**

Government Reads:
“Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$10 000 or imprisoned



Examples of Preventive Actions:

- ▶ **Improve Supervision.**
- ▶ **Internal Audits and Surveillance.**
- ▶ **Develop Awareness of Consequences of Malpractice.**
- ▶ **Determine Sensitive Areas.**
- ▶ **Use Overcheck Programs.**
- ▶ **Records Control.**
- ▶ **Carefully Assign Personnel.**



A Word to the Wise

- ▶ **Before you determine a case of deliberate malpractice has occurred be sure you have all the facts.**
- ▶ **The observation of errors and corrections of errors does not automatically mean deliberate malpractice has occurred.**
- ▶ **The appearance of deliberate malpractice must be proven without a doubt.**



Associated files

- ▶ **Deliberate Malpractice.**
- ▶ **Information on Prevention and Detection of Malpractice.**
- ▶ **SAP Inspection attributes - Malpractice.**